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Howard W. Lutnick

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ROPES & GRAY LLP

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ZECHER, MICHAEL R

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**Please find below and/or attached an Office communication concerning this application or proceeding.**

The time period for reply, if any, is set in the attached communication.

## Office Action Summary

**Application No.**

10/015,738

**Applicant(s)**

LUTNICK ET AL.

**Examiner**

Michael R. Zecher

**Art Unit**

3691

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

### Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

### Status

- 1) ☒ Responsive to communication(s) filed on 14 November 2007.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

### Disposition of Claims

- 4) ☒ Claim(s) 1-27 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-27 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

### Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

### Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
  - ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

### Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☐ Information Disclosure Statement(s) (PTO/SB/08)  
Paper No(s)/Mail Date \_\_\_\_\_
- 4) ☐ Interview Summary (PTO-413)  
Paper No(s)/Mail Date. \_\_\_\_\_
- 5) ☐ Notice of Informal Patent Application
- 6) ☐ Other: \_\_\_\_\_

### DETAILED ACTION

1. The following is a final Office Action on the merits. The Amendments received November 14, 2007, have been entered. **Claims 1-23** have been amended. **Claims 24-27** have been added. **Claims 1-27** are pending.

#### ***Claim Rejections - 35 USC § 103***

2. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

3. **Claims 1-12, 14, 16-24, & 26** are rejected under 35 U.S.C. 103(a) as being anticipated by Shepherd (U.S. 5,970,479) (Shepherd '479), and further in view of Shepherd (U.S. 7,149,720) (Shepherd '720).

**As per claim 1**, Shepherd '479 teaches a method for trading, the method comprising the steps of:

providing, from a computer-based system designed to provide information about a secondary market for a plurality of future contracts (See abstract, column 1, lines 65-66, and column 2, lines 30-31, which discuss intangible assets such as associated intellectual property (e.g. patents) and future contracts),

However, Shepherd '479 does not expressly disclose that the future contracts are based on underlying obligations of a structure in which the future contract obligates a holder of the future contract to make a future payment obligation of an obligee to an

obligor and entitles the holder to control a future performance obligation of the obligor, indications designed to permit secondary trading between current holders of the futures contracts and prospective holders of the futures contracts.

Shepherd '720 discloses a system for exchanging obligations between parties where the exchange is administered by a supervisory institution (See abstract).

Both Shepherd '479 and Shepherd '720 disclose methods for exchanging obligations regarding future events. Shepherd '720 discloses a supervisory institution that holds a futures contract, whereby the supervisory institution instructs each party to either perform or pay based on the transfer of entitlement (See column 5, line 36, through column 6, line 19, column 65, lines 25-30, which discusses a method of dealing with contracts, including futures contracts, which involves two counterparties and a supervising institution). Therefore, it would have been obvious to one of ordinary skill in the art at the time the invention was made to include a third party holder who controls a future performance obligation of an obligor and makes future payment obligations of an obligee to an obligor as taught by Shepherd '720 in order to achieve the predictable result of providing a low-cost mechanism for pricing and acquiring futures contracts without the involvement of traditional intermediaries (See column 5, lines 45-60).

**As per claim 2**, Shepherd '479 teaches that the at least one futures contract comprise at least one futures contract fund (See figure 27, and column 55, lines 55-59, which illustrates confirming the contract trading process and discusses offering contracts for trade as a portfolio—category grouping).

**As per claim 3**, Shepherd '479 teaches executing a trade of the at least one futures contract (See figure 27, and column 55, lines 55-59, which illustrates confirming the contract trading process and discusses offering contracts for trade individually or as a portfolio—category grouping).

**As per claim 4**, Shepherd '479 teaches providing an indication of at least one term of the at least one futures contract (See figure 18, #320, which illustrates an ADMIN data file containing full details of the contract, individual or portfolio, each sponsor is endorsing).

**As per claim 5**, Shepherd '479 teaches providing an indication of a trading status of the at least one futures contract (See figure 18, #480, which illustrates a trade price data file that contains updated information on contracts, individual and portfolio).

**As per claim 6**, Shepherd '479 teaches providing data related to at least one futures contract (See figure 18, #510 & #520, which illustrates information and history data files concerning respective contracts, individual or portfolio).

**Claim 7, 9, 24, & 26** recite substantially equivalent limitations to claim 1 and are therefore rejected using the same art and rationale set forth above.

**As per claim 8**, Shepherd '479 teaches providing analysis tools related to the at least one future contract (See figure 19 which illustrates analyzing and processing various trades concerning contracts, individual or portfolio).

**Claim 10** recites substantially equivalent limitations to claims 1 & 3 and is therefore rejected using the same art and rationale set forth above.

**As per claim 11**, Shepherd '479 teaches a computer-readable medium having computer-executable instructions for performing a method comprising:

causing a system to standardize at least one term related to a plurality of futures contracts for a secondary market of future contracts (See column 29, line 1-5, and column 32, lines 20-25, which discusses satisfying defined minimum standards). However, Shepherd '479 does not expressly disclose that the futures contracts are based on underlying obligations of a structure in which the futures contract obligates a holder of the futures contract to make a future payment obligation of an obligee to an obligor and entitles the holder to control a future performance obligation of the obligor.

Shepherd '720 discloses a supervisory institution that holds a futures contract, whereby the supervisory institution instructs each party to either perform or pay based on the transfer of entitlement (See column 5, line 36, through column 6, line 19, column 65, lines 25-30, which discusses a method of dealing with contracts, including futures contracts, which involves two counterparties and a supervising institution). Therefore, it would have been obvious to one of ordinary skill in the art at the time the invention was made to include a third party holder who controls a future performance obligation of an obligor and makes future payment obligations of an obligee to an obligor as taught by Shepherd '720 in order to achieve the predictable result of providing a low-cost mechanism for pricing and acquiring futures contracts without the involvement of traditional intermediaries (See column 5, lines 45-60).

**Claim 12** recites equivalent limitations to claim 2 and is therefore rejected using the same art and rationale set forth above.

**Claim 14, 16, & 20** recites equivalent limitations to claim 4 and is therefore rejected using the same art and rationale set forth above.

**Claims 17 & 22** recite equivalent limitations to claim 8 and are therefore rejected using the same art and rationale set forth above.

**As per claim 18**, Shepherd '479 teaches wherein making the future payment includes making a payment to the obligor at a date identified by the at least one futures contract (See column 38, lines 6-15, which discusses payment dates being immediate or deferred to a time defined in the future).

**Claims 19** recites equivalent limitations to claim 3 and are therefore rejected using the same art and rationale set forth above.

**Claim 21** recites equivalent limitations to claim 11 and is therefore rejected using the same art and rationale set forth above.

**As per claim 23**, Shepherd '479 teaches categorizing the plurality of futures contracts fund (See figure 27, and column 55, lines 55-59, which illustrates confirming the contract trading process and discusses offering contracts for trade as a portfolio—category grouping).

4. **Claims 13, 15, 25, & 27** are rejected under 35 U.S.C. 103(a) as being anticipated by Shepherd (U.S. 5,970,479)(Shepherd '479), in view of Shepherd (U.S. 7,149,720)(Shepherd '720), and further in view Adam Schefter, "Pay day for prime-time Broncos Long-term contracts awarded; [Rockies Edition]," Denver Post, Denver, Colo., July 20, 1999, pg. D.01 ("Schefter").

**As per claim 13**, the Shepherd '479 and Shepherd '720 combination does not expressly disclose that the future performance includes at least one of a sport performance and an artistic performance.

Both the Shepherd '479 and Shepherd '720 combination and Schefter disclose obligations exchanged between parties based on future conditions. Schefter discloses contract agreements signed by professional football players that include future incentive-laden conditions, such as playing time and sacks (See pg. 3). Therefore, it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the Shepherd '479 and Shepherd '720 combination to include sports performance incentives as taught by Schefter in order to achieve the predictable result of bargaining for exchange of a future performance.

**Claim 15, 25, & 27** recite equivalent limitations to claim 13 and are therefore rejected using the same art and rationale set forth above.

### ***Response to Arguments***

5. Applicant's arguments with respect to **claims 1-23** have been considered but are moot in view of the new ground(s) of rejection.

### ***Conclusion***

6. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure.

May (U.S. 2002/0138390) discloses systems, methods and computer program products for subject-based addressing in an electronic trading system.



May (U.S. 2003/0093360) discloses systems, methods and computer program products for electronic trading of financial instruments.

Lancaster (U.S. 6,876,982) discloses universal contract exchange.

Push (U.S. 2002/0035531) discloses common margin settlement vehicle and method of margining exchange-traded futures contracts.

Sweeting (U.S. 2005/0086152) discloses a system and method for providing future contracts in a financial market environment.

Shepherd (U.S. 5,970,479) discloses methods and apparatus relating to the formulation and trading of risk management contracts.

Vinarsky (U.S. 6,390,472) discloses pseudo-commodities interactive futures trading game.

Eckert et al. (U.S. 2003/0018571) discloses a system and method of trading securities based on the income of a performer.

Kim et al. (WO 02/31616) discloses a method of mock future trading for sports game.

Shepherd (U.S. 6,912,510) discloses methods of exchanging an obligation.

Shepherd (U.S. 6,134,536) discloses methods and apparatus relating to the formulation and trading of risk management contracts.

Shepherd (U.S. 2007/0106601) discloses methods and apparatus relating to the formulation and trading of risk management contracts.

Shepherd (U.S. 2005/0246197) discloses methods and apparatus relating to the formulations and trading of risk management contracts.

Shepherd (U.S. 2005/0023546) discloses methods and apparatus relating to the formulations and trading of risk management contracts

7. Applicant's amendment necessitated the new ground(s) of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP § 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).


A shortened statutory period for reply to this final action is set to expire **THREE MONTHS** from the mailing date of this action. In the event a first reply is filed within **TWO MONTHS** of the mailing date of this final action and the advisory action is not mailed until after the end of the **THREE-MONTH** shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than **SIX MONTHS** from the date of this final action.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Michael R. Zecher whose telephone number is 571-270-3032. The examiner can normally be reached on M-F 7:30-5:00 alt. Fridays off.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Alexander Kalinowski can be reached on 571-272-6771. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

MRZ



ALEXANDER KALINOWSKI  
SUPERVISORY PATENT EXAMINER